



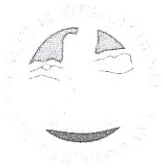
BIG MOUNTAIN SEWER DISTRICT

PO Box 1252
Whitefish, Montana 59937

Board of Directors Meeting Agenda
April 30, 2019 9:00 am
Northern Lights Conference Room, Kandahar Lodge

1. CALL TO ORDER
2. INTRODUCTIONS
3. PUBLIC COMMENT
4. REVIEW OF MINUTES- January 8, 2019
5. FINANCIAL REVIEW
 - Balance Sheet
 - Income Statement
 - Cash Flow
 - City of Whitefish Usage/fees
 - Check Register
 - a. Bank Reconciliation Request – Leslie Bales
6. OLD BUSINESS
 - a. FY 2018 Financial Review Update – Leslie Bales
 - b. City of Whitefish – Sewer Agreement Update – Robert Lund
 - c. Lift Station Grinder Pump Repair Update – Jason Hanchett
 - d. Identifying Water Intrusion Update – Jason Hanchett
 - e. Maintenance Update – Jason Hanchett
7. NEW BUSINESS
 - a. Sanitary Sewer Overflow Elk Highlands Drive – Jason Hanchett
 - b. Sewer Meter Stations – Flowmeter Reactivation – Jason Hanchett
 - c. Rate Study Plan – Tom Cowan/Carver Engineering & Dan Kramer/Montana Rural Water
 - d. Flathead County District Board Financial Training/May 30, 2019 – Leslie Bales
 - e. Plant Investment Fees – none received since January 8, 2019
8. INFORMATIONAL CORRESPONDENCE (available for review from Administrative Manager)
 - a. DEQ to Tom Cowan re: The Glades at Whitefish Mountain Report, Phase 4 – Approval of the plans and specifications for the water and sewer main extensions to serve Glades at Whitefish Mountain Resort

- b. DEQ to Tom Cowan re: The Glades, Phase 4
- c. Flathead County Election Administrator – County Water & Sewer Districts RE: Board Updates, petitions for annexation cc: BMSD Board Members
- d. City of Whitefish – Notice of payment due
- e. Employers Mutual Casualty Co. – Notice of Annual Meeting
- f. Flathead Electric – Annual Members Meeting Notice and Ballot
- g. Flathead Valley Utility Coordinating Council – 1st Qtr 2019 Meeting Agenda – emailed to Graves and Hanchett 3/7/2019
- h. Northwest Assistance Program Source – Spring 2019
- i. Stumptown Scoop – Spring 2019
- j. Safeguard Check Technology
- k. Quickbooks Training Seminar
- l. Northwest Energy – enroll in EZ pay
- m. Flathead Electric – Light Reading February 2019
- n. Flathead Electric – Plugged in 2018
- o. Door Dash coupon



BIG MOUNTAIN SEWER DISTRICT

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Board of Directors Draft Minutes
April 30, 2019 9:00 am
Northern Lights Conference Room, Kandahar Lodge

1. CALL TO ORDER

The meeting was called to order at 9:10 by President Dan Graves at 9:10 a.m.
Present were – Dan Graves, Robert Lund, Sandie Carpenter, Bob Riso, Jason Hanchett, and Dave Ruoff.

2. INTRODUCTIONS

Jason Hanchett introduces Dan Kramer from Montana Rural Water, who is going to give a presentation on rate structures to the BMSD Board.

3. PUBLIC COMMENT

There were no members of the public in attendance.

4. REVIEW OF MINUTES- January 8, 2019

President Graves asked about section 6b – wasn't it Bob Lund that brought up this discussion, and not himself. Yes, both Lund and Ruoff agreed with this correction. Ruoff made motion to approve the minutes as corrected, second by Carpenter. Motion carried unanimously.

President Graves suggested moving 7C. Rate Study Plan presentation by Dan Kramer, Montana Rural Water up on the agenda; the Board agreed unanimously. Graves updated Kramer on changes to the Board, introducing the members of the Board and explained the Board is interested especially in the question of establishing EDU costs. Graves shared we have everything here on the mountain – studios, duplexes, four-plexes with one meter, or with four meters; all sorts of options and variables.

Kramer stated he has been with Montana Rural Water for 15 years, and before that managed three water/sewer districts for 11 years. Kramer shared he has lots of training in operation and maintenance of water systems. Kramer continued that Montana Rural Water is non-profit, which is funded by USDA, and this is the 5th water structure meeting this month.

Kramer explained the EDU methodology to the board. Costs, safety, type of use, and meeting code are all important – liability issues. Lund asked if meeting code was a water or sewer district problem? Kramer replied the utility could be left on the hook for safety – utility to inform them of safety concern, shutting off water is the utility option to ensure compliance. Kramer stated lots of cities, water and sewer districts have adopted the

Montana State plumbing and electrical codes as part of their ordinances. Discussion followed.

Discussion continued regarding monitoring usage, engineering, and properly sized lines. Hanchett and Graves clarified the water district just puts in the mains – not the water lines which are installed by the contractors. Discussion followed regarding actual use now, versus original use when structure/home was built. Short term rentals are a new use of single-family residential units. Kramer verified that 5/8" and 3/4" are typically classified the same way, as 1 EDU.

Kramer showed the AWWA rate tables, explaining how these are used. Kramer continued with examples of the costs annually, and per month. Kramer also talked about asset management, how to determine what to put aside to fix things that will eventually break, and explained the necessity to keep ahead on replacing/repairing your assets.

Kramer moved on to sewer rates, sharing if an entity uses a charge per gallonage this will equalize costs between commercial and residential.

Lund explained this Board is discussing what is an EDU? There is conflicting definition between AWWA and other sources. Dan explained when structures are built must go through fixture analysis which dictates size of line, and size of the meter. Ruoff stated he understands Whitefish does "SFR as 1 EDU". Kramer stated the Board must go by MT state code for setting rates. Discussion followed re: MT Code, engineering, EDU calculations, and fixture count. Kramer stated the only thing that stays constant is the size of the lines.

Kramer shared another spreadsheet – MT Code Annotated 2015 and assured the Board that he will share the spreadsheets with BMSD Board so we can input our own numbers and review our rates.

Graves clarified with Lund that he is trying to establish single family as 1 EDU - correct? Discussion followed regarding usage, number of residents, equity in billing costs. BMSD bills only on base rate, with no usage calculation. Kramer stated this may need to be reevaluated, as a rate based upon usage and base rate is the most equitable.

Graves explained that all undeveloped properties were set as 1 EDU, then when the property was developed base rate should have been reevaluated and this was not done for all properties. Graves continued this was an old error, which was caught in 2014 and corrected. Discussion followed between meter size to EDU, charging for usage, etc. Kramer once again stated the need to adhere to MT State plumbing code.

Graves stated he would like to see BMSD move toward a fixed base rate based on EDU and an additional cost for usage. Graves continued he doesn't know about the administrative task to tie back to the properties, adding we may need additional help for Leslie for the administrative work. Ruoff suggested make 5/8", 3/4", and 1" at EDU. Graves suggested the Board look at scenarios – based on EDU's. Scenario #1 one as is,

with all SFR as 1 EDU, and Scenario #2 with 1" line/meter at MT Rural EDU so we can see how impactful this will be – which would allow the BMSD Board to review the difference. Discussion followed regarding 1" meter and 60/70k per year 1 EDU, higher usage higher EDU, using water usage for cost per thousand. Ruoff currently- 1" is 1 EDU.

Grave recommended we have Bales try to figure out how much time she thinks it will take and try to figure out admin load. Graves continued we can get gallonage per property, and total gallons per EDU data from Water District. Discussion continued with Hanchett reminding that irrigation is not metered separately, Lund reporting looking on internet at EDU rules for resorts which use peak monthly figure, and then tweak out the irrigating. Board consensus was to look at added admin hours, and to establish some sort of pattern, ratio, etc. between actual usage and how much is going to City of Whitefish for treatment.

5. FINANCIAL REVIEW

- Balance Sheet
- Income Statement
- Cash Flow
- City of Whitefish Usage/fees

Ruoff made motion to accept the balance sheet, income statement, cash flow, and City of Whitefish Usage fees, second by Riso. Motion carried with all ayes.

Lund asked about infiltration. Jason reported Montgomery started working on project last week. Did readings, got data, left and waiting for report.

- Check Register

Carpenter made motion with second by Riso. Motion carried with Ruoff out of the room.

- a. Bank Reconciliation Request – Leslie Bales

Admin Manager Bales requested that quarterly one of the board members review, and initial off on the bank reconciliations. Bales stated that due to audit requirements in past positions, this gives a better internal control for the finances of the BMSD. Bob Lund/Treasurer will review the bank statements quarterly.

Discussion of the financial reports followed, with questions about the year to date numbers. Bales will send detail of the maintenance costs to Hanchett, for explanation and verification of coding. Once this has been completed Bales will do a month by month cost analysis and send out to the Board. Ruoff made motion to accept the financial reports, second by Lund, motion carried.

6. OLD BUSINESS

- a. FY 2018 Financial Review Update – Leslie Bales

Bales reported that Tana Doyle is currently working on our financial review, and it should be completed within the next few weeks. Bales shared that because BMSD is a financial review, and not a full-blown audit, it has been pushed back so our audit firm can meet the reporting dates of their larger entities.

- b. City of Whitefish – Sewer Agreement Update – Robert Lund
Lund reported Ruoff has started the process to update language in the Sewer Agreement with City of Whitefish, and clarified BMSD needs to finalize the EDU designation so these updates can be submitted to the Board, and then City of Whitefish for review. Ruoff and Lund are working on the updates and will report again at our next meeting.
- c. Lift Station Grinder Pump Repair Update – Jason Hanchett
Hanchett reported he is expecting to receive the repaired pump back either this week or next week. Hanchett reported next year when the the Base Lodge pump is replaced it is to be mothballed and will be kept in maintenance closet. Ruoff and Hanchett discussed mothball procedures.
- d. Identifying Water Intrusion Update – Jason Hanchett
Hanchett reported we are making progress on identifying the water intrusion. Montgomery has been reviewing the data he was provided and, was here onsite last week. Montgomery will get back to us with his report after it has been completed. Hanchett reported he worked with Montgomery and they popped manholes, took temperatures, discovered some obvious infiltration areas that need to be addressed right away, and came up with ideas for sections of line that need to be camera'd. Hanchett continued that A-1 will be starting next week to camera lines, and Montgomery will be designating sections to address right away. There were questions on the upper subdivision, and Hanchett will talk to Carver Engineering regarding this subdivision. Hanchett reported Montgomery may attend a meeting to talk with Board at a later date, but the initial field work has been completed.

Discussion followed with Hanchett clarifying that meter checks by the water staff had been being taken to calculate daily usage, and he was sending this information to Paul weekly in order to see when flows were elevating. Hanchett will send out update once he has report from Montgomery.

Carpenter asked if we would find out the culprit/s. Graves said yes, they should be able to tell where the inflow is coming in. Discussion continued with regards to the base of chair 2 to parking lot at camera time, line oval but did not show breaks; property owner who needs to install a culvert (DeSautel, Graves will contact them), and reviewing that prior repairs have all been made.

- e. Maintenance Update – Jason Hanchett
Hanchett handed out the Sewer District Maintenance List, reporting that he had been mainly working with Paul Montgomery, and that the remainder of the list is very similar to last meeting. Hanchett reported they have added the metering stations from boneyard and brought them back online. Hanchett reported they put the meters back online with just an electrician and he tried to calibrate, couldn't calibrate properly so utilized A-1 sanitation to take flow down to zero to calibrate the meters. The items in blue were prior to getting meters recalibrated.

Ruoff asked about the new pump for Glades lift station, with Hanchett reporting the new pump is on its way via Board approval via email in February. Discussion followed on how to store the pump.

7. NEW BUSINESS

- a. Sanitary Sewer Overflow Elk Highlands Drive – Jason Hanchett
Hanchett reported the overflow was discovered by one of our snowplow drivers, at Northern Lights West 2, the corner area was frozen. Graves reported this also happened about 6 years ago when we had a really cold snap. They reported this area was supposed to have 2” blue board through the rocky area in road surface. Ruoff asked if this line had been camera’d to find the start of the iceberg. There are only three homes on this section of line, but there is lots of construction which will help with flows. Graves suggested camera this line in September, after construction season and prior to winter. Hanchett suggested hot water jetting lines monthly during cold spells. Lund asked about maintenance schedule for any days with cold weather, check and monitor. Discussion followed. The Board thanked Hanchett for his maintenance chart – very helpful.
- b. Sewer Meter Stations – Flowmeter Reactivation – Jason Hanchett
Hanchett included this item in his report on the infiltration study.
- c. Rate Study Plan – Tom Cowan/Carver Engineering & Dan Kramer/Montana Rural Water
Tom Cowan was unable to attend as he was called on jury duty.
Report on Dan Kramer’s presentation was earlier in these minutes.
- d. Flathead County District Board Financial Training/May 30, 2019 – Leslie Bales
Bales reported that Flathead County will be holding a financial training for District Board members on Thursday, May 30 at either 3 p.m. or 6 p.m. and all board members have been invited to attend. Bales will send out an email and register the Board members who wish to attend.
- e. Plant Investment Fees – none received since January 8, 2019

8. INFORMATIONAL CORRESPONDENCE (available for review from Administrative Manager)

- a. DEQ to Tom Cowan re: The Glades at Whitefish Mountain Report, Phase 4 – Approval of the plans and specifications for the water and sewer main extensions to serve Glades at Whitefish Mountain Resort
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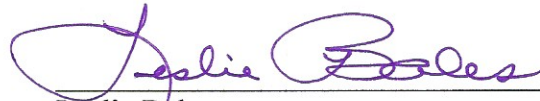
- k. Quickbooks Training Seminar
- l. Northwest Energy – enroll in EZ pay
- m. Flathead Electric – Light Reading February 2019
- n. Flathead Electric – Plugged in 2018
- o. Door Dash coupon

Upon motion duly made and seconded the meeting adjourned at 11:18 a.m.

These minutes were approved at the June 25, 2019 BMSD Board meeting.



Dan Graves
President



Leslie Bales
Administrative Manager

FLATHEAD COUNTY BUDGET ESTIMATES FY 2020

FUND NAME: BIG MOUNTAIN SEWER

FUND NUMBER: 7225

| | Prior Year Budget FY19 | Dept Request | Final Budget FY20 |
|---|---------------------------|--------------|----------------------|
| NON-TAX REVENUE | | | |
| Capital Credit Refund - FEC | \$ 30 | \$ 75 | \$ 75 |
| Interest Revenue | 4,500 | 4,500 | 4,500 |
| Hook-up Fees | 3,000 | 4,200 | 4,200 |
| Penalties and Interest | 750 | 900 | 900 |
| Total Non-Tax Revenue | \$ 8,280 | \$ 9,675 | \$ 9,675 |
| TAX REVENUE | | | |
| Tax/Assessment Revenue/Fees = | \$ 476,162 | \$ 518,081 | \$ 518,081 |
| Total Tax Revenue | \$ 476,162 | \$ 518,081 | \$ 518,081 |
| TOTAL REVENUE | \$ 484,442 | \$ 527,756 | \$ 527,756 |
| OTHER RESOURCES | | | |
| Cash available @ June 30th | \$ 616,475 | \$ 767,697 | \$ 767,697 |
| Less outstanding warrants @ June 30th | 15,704 | 54,079 | 53,704 |
| Total Other Resources | \$ 600,771 | \$ 713,618 | \$ 713,993 |
| TOTAL RESOURCES | \$ 1,085,213 | \$ 1,241,374 | \$ 1,241,749 |
| MAINTENANCE & OPERATION EXPENDITURES | | | |
| Audit & Legal | \$ 4,125 | \$ 4,125 | \$ 4,125 |
| Bank Charges | | 20 | 20 |
| Bonding & Insurance | 1,800 | 1,850 | 1,850 |
| Depreciation | 42,000 | 42,000 | 42,000 |
| District Administration | 6,800 | 9,000 | 9,000 |
| Dues & Subscriptions | 900 | 1,000 | 1,000 |
| General Manager | 750 | 750 | 750 |
| Legal | 3,000 | 3,000 | 3,000 |
| Lift Station Repairs | 8,373 | 5,000 | 5,000 |
| Lift Station 1 Operations | 2,570 | 1,250 | 1,250 |
| Lift Station 2 Operations | 2,570 | 1,675 | 1,675 |
| Line Fee (City of Whitefish) | 325,514 | 300,000 | 300,000 |
| Line Maintenance Expense | 6,300 | 49,090 | 49,090 |
| Maintenance-Labor | 2,853 | 2,500 | 2,500 |
| Maintenance-Supplies | 6,450 | 7,100 | 7,100 |
| Management Fee | 26,100 | 26,100 | 26,100 |
| Office | 1,500 | 1,500 | 1,500 |
| Office Supplies | 500 | 500 | 500 |
| Records Retention | 650 | 650 | 650 |
| Salaries (5 directors) | 1,875 | 2,700 | 2,700 |
| Telephone | 720 | 810 | 810 |
| Training | 110 | 400 | 400 |
| Utilities | 420 | 840 | |
| Total Maintenance & Operation Expenditures | \$ 445,879 | \$ 461,860 | \$ 461,020 |
| CAPITAL OUTLAY | | | |
| Base Lodge Lift Station East Pump #1 | | \$ 19,100 | \$ 19,100 |
| Ovalized Line Repairs | | 12,121 | 12,121 |
| Total Capital Outlay | \$ - | \$ 31,221 | \$ 31,221 |
| TOTAL EXPENDITURES | \$ 445,879 | \$ 493,081 | \$ 492,241 |
| CASH RESERVE (projected ending cash balance) | \$ 639,334 | \$ 748,293 | \$ 749,508 |

Projected Cash Reserve %

143%

152%

AUTHORIZED SIGNATURE:

